

Message Text

LIMITED OFFICIAL USE

PAGE 01 CAIRO 14153 251455Z
ACTION NEA-10

INFO OCT-01 ISO-00 H-01 EB-08 COME-00 TRSE-00 L-03
FEA-01 /024 W
-----052826 252357Z /65
R 251402Z AUG 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 8711

LIMITED OFFICIAL USE CAIRO 14153

FOR NEA/EGY

E.O. 11652: N/A
TAGS: BDIS, ETRD, EG, US
SUBJECT: PETROLEUM: LVO CASE

REF: (A) STATE 201649, (B) CAIRO 12479

1. AS MENTIONED REFTTEL B, LVO CASE IS WELL KNOWN IN CAIRO PETROLEUM COMMUNITY. DISPUTE WAS INTENSIFIED BY RATHER ACRIMONIOUS RELATIONS (SEE REF B) WHICH EVENTUALLY DEVELOPED BETWEEN LVO AND EGPC. IT IS GENERALLY BELIEVED HERE IN OIL INDUSTRY THAT PROBLEM WOULD NOT RPT NOT HAVE ARISEN IF IT HAD BEEN HANDLED MORE ADEPTLY BY BOTH SIDES. LVO, HOWEVER, IS FIRST TO TERMINATE AGREEMENT AND THEREFORE FIRST TO GO THROUGH PAINS OF GAINING GOE APPROVAL FOR DISPOSITON OF GOODS. TWO SERVICE COMPANY PROBLEMS MENTIONED REFTTEL A DO NOT INVOLVE EXPLORATION/ PRODCUTION SHARING AGREEMENTS. WE HAVE NOT YET BEEN ABLE TO IDENTIFY THE SPECIFIC PROBLEMS IN CASES MENTIONED. AMOCO IS CURRENTLY ENGAGED IN NEGOTIATIONS TO CLOSE WAREHOUSE OF OBSOLETE EQUIPMENT AT RAS SHUKAIR. TOTAL VALUE OF EQUIPMENT IS ABOUT \$12 M.

2. INDUSTRY IS WATCHING SITUATION CAREFULLY BECAUSE ALL
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CAIRO 14153 251455Z

COMPANIES EXPECT TO HAVE SIMILAR PROBLEM SOONER OR LATER. PREDICTABLY, MAJORS ARE MUCH LESS CONCERNED, HAVING ANTICIPATED WRITE-OFF ALL ALONG; SMALLER COMPANIES DEFINITELY PLAN ON DISPOSING OF THEIR ASSETS AT END OF AGREEMENT. THERE IS NO DOUBT PROBLEM HAS FAR-REACHING CONSEQUENCES FOR GOE/COMPANY RELATIONS.

3. IN VIEW CONGRESSIONAL INTEREST, WE FULLY AGREE THAT
LOV'S CASE MUST BE RAISED WITH EGPC, IN FIRST INSTANCE,
AND WITH MINISTER OF PETROLEUM IF NECESSARY LATER ON.
E/C COUNS HAS APPOINTMENT WITH EGPC CHAIRMAN RAMSI
LEITHY ON MONDAY, AUGUST 29 TO DISCUSS SITUATION.
AFTER THAT MEETING WE WILL RECOMMEND WHETHER LVO OFFICIAL
SHOULD TRAVEL TO CAIRO FOR FURTHER DUSCUSSIONS.
EILTS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, EQUIPMENT, TRADE COMPLAINTS
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CAIRO14153
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770308-0265
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770825/aaaaauos.tel
Line Count: 70
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e96f7053-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 201649, 77 CAIRO 12479
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1490820
Secure: OPEN
Status: NATIVE
Subject: PETROLEUM: LVO CASE
TAGS: BDIS, ETRD, EG, US, LVO
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e96f7053-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009